



Apcotex Industries Limited

WHISTLE BLOWER / VIGIL MECHANISM POLICY

VERSION HISTORY

Version	Adopted / Amended by	Date of Approval / Amendment
1	Board of Directors	October 31, 2014
2	Board of Directors	January 28, 2025

A) OBJECTIVE:

The purpose of this policy is to articulate the Company point of view on whistle blowing, the process, and the procedure to strengthen whistle blowing mechanism at Apcotex Industries Limited.

B) PREFACE:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to comply with the applicable laws and regulations of the jurisdictions where it conducts its business. To comply with the laws and regulations, a system has been put in place, which includes policies and processes to interpret and apply these laws and regulations in the organization. This will help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

The Internal Checks and Controls and Operating procedures are intended to detect and prevent the intentional/unintentional deviations/violations of the set internal controls and operating procedures. In order to avoid deviations, the Company has adopted Code of Conduct ("Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The Code requires employees to report the violations, if any, to the Chairman of the Company or Chairman of the Audit Committee.

Through this "Whistle Blower Policy and Vigil Mechanism" the Company is providing a window through which such irregularities may be brought to light, by individuals who may be interacting with or observing the Company during their business. The information provided would be useful in making its processes and systems more robust and sustainable.

Section 177 (9) of Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time, and other applicable laws, inter alia, provides for mandatory requirement for all listed and other class of companies as prescribed, to establish a vigil mechanism for their directors and employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Code of the Company or ethics policy.

Accordingly, this policy has been formulated to provide opportunity to employees to have access in good faith, to the Audit Committee / Chairman of the Audit Committee of the Company in case they observe any unethical and improper practice or behavior or wrongful conduct in the Company and to prohibit managerial personnel from taking adverse personnel action against such employee.

C) APPLICABILITY:

This policy applies to all the employees of Apcotex Industries Limited, who disclose alleged wrongful conduct, as defined in this Policy and who, as a result of the disclosure, may be subject to an adverse personnel action.

He/she is neither required to nor expected to act as investigators to find-out the facts. He/she can't determine corrective actions either. Whistle blower can share the information/complaint with evidences, but it's neither mandatory nor required to obtain evidence in order to support his/her information. His/her role is simply to "raise the alarm".

D) POLICY:

No adverse personnel action may be taken against whistle blower in retaliation to his disclosure in good faith of any unethical & improper practice or wrongful conduct, which information the employee in good faith believes:

- A violation of any law.
- Mismanagement.
- Gross waste or misappropriation of Company's funds.
- A substantial and specific danger to public health and safety; or acts, which are not in line with company's policy or detrimental to the image of the organization or violate the accepted values of the organization.
- An abuse of authority collectively referred to herein as "alleged wrongful conduct".
- Workplace related consistent improper behavioral actions.
- Unlawful and improper conduct including any kind of harassment, sexual harassment of the women.
- To build and strengthen a culture of transparency and trust in the organization.
- To initiate disciplinary action against false allegations.

E) DEFINITIONS:

1. **Abuse of authority:** Any act, conduct or decision which is outside the scope of the alleged violator's position, scope of duties, or level of authority as authorized by the designee. The actions or failure to take actions which are within the alleged violator's authority may constitute abuse of authority if the violator's motive or purpose is to harass, intimidate, or treat the employee unreasonably or capriciously under the applicable facts and circumstances.
2. **Adverse personnel action:** Any act, conduct or decision relating to employees or any failure to take appropriate action by a manager or higher-level authority which affects an employee negatively and includes the following acts relating to Company's personnel system:
 - a. Termination of employment
 - b. Demotion
 - c. Suspension
 - d. Written reprimand
 - e. Retaliatory investigation
 - f. Receipt of an unwarranted performance rating
 - g. Withholding of appropriate salary adjustments
 - h. Denial of awards, grants, leaves, benefits, or training for which the employee would normally be eligible
 - i. Other significant change in job responsibilities or working conditions, which are inconsistent with the employee's position, salary or grade

3. **Alleged wrongful conduct:** Violation of law, infringement of Company's code of conduct or ethic policy, mismanagement, misappropriation of monies, gross waste, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
4. **Audit Committee:** A Committee of Board of Directors comprising of majority of Non-Executive Independent Directors, constituted in accordance of section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement executed with the Stock Exchanges.
5. **Company:** Company means "Apcotex Industries Limited"
6. **Compliance Officer:** Compliance Officer means, "Company secretary" of the Company
7. **Conflict of interest:** When an employee is in a position to influence any Company's activities or decision which would lead to any matter or form of personal gain for himself / herself or for his / her family member, or when he / she has a personal vested interest in such activity or decision.
8. **Discloser:** An employee who reports alleged wrongful conduct to the Chairman of Audit Committee by sending an email at whistleblower@apcotex.com.
9. **Disclosure:** Oral or written report by an employee to Chairman of Audit Committee of alleged wrongful conduct on a matter of public concern.
10. **Disclosure investigation:** Review and determination made by the appropriate Company officer and/or designers of a disclosure.
11. **Good faith:** An employee shall be deemed to communicate in 'good faith' if there is a reasonable basis for communication of unethical & improper practice or any other alleged wrongful conduct.

Good faith shall be deemed lacking when the employees does not have personal knowledge of factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical & improper practices or alleged wrongful conduct is malicious, false or frivolous.

12. **Gross waste or misappropriation of Company's funds:** Any act, conduct or decision which is outside the scope of the alleged violator's spending or budgetary authority, or even when the action or decision is within budgetary authority, the action would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of Company's funds.

13. **Known retaliation**: An adverse personnel action taken by a manager or other authority against an employee because of a his/her disclosure of alleged wrongful conduct.
14. **Managerial Personnel**: Managerial Personnel shall include Executive Director, Whole-time Director, Manager, Departmental Head, Supervisor, or other employee who has authority to make or materially influence significant personnel decision.
15. **Mismanagement**: Action or decision which exceeds the scope of the alleged violator's responsibilities, or even if the action is within responsibilities, the action would be considered by a reasonable person to be grossly excessive or unfair.
16. **Personnel action**: An employment-related action or decision which affects an employee positively or negatively.
17. **Unethical & Improper Practice**: Unethical & improper practices mean:
 - (i) Any act which does not confirm to approved standard of social and professional behaviour;
 - (ii) Any act which leads to unethical business practices;
 - (iii) Breach of etiquette or moral offensive behaviour, etc.
18. **Violation of law**: A violation of local, state, or federal law or regulation that is applicable to the Company or its employees.
19. **Whistleblower complainant ("complainant")**: A current or former employee who discloses/ disclosed alleged wrongful conduct to Chairman/ Member of Audit Committee and who subsequently is subjected to an adverse personnel action as a result of making the prior disclosure.
20. **Whistleblower complaint**: A complaint filed by a complainant with a Company officer alleging that an adverse personnel action was taken in retaliation for a prior disclosure of alleged wrongful conduct to Chairman / Member of Audit Committee.
21. **Whistleblower complaint review**: A review by a Company officer or committee of a whistleblower complaint, resulting in a written decision which the Company officer provides to the complainant.

F) INTERPRETATION:

Terms that have been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or in any SEBI Regulation(s) as amended from time to time.

G) GUIDELINES:

1. Internal Policy & Protection thereunder:

This policy is an internal policy on access to Audit Committee, which comprises of qualified Non-Executive and Independent Directors.

This policy prohibits the Company from taking any adverse personnel action against its employees for disclosing in good faith, any unethical and improper practices or alleged wrongful conduct to the Audit Committee. Any employee against whom any adverse personnel action has been taken due to disclosure of information under this policy may approach the Audit Committee or in exceptional cases to the Board of Directors for appropriate relief. The Policy further directs to protect the identity of the complainant and to keep the documents and evidence confidential.

However, the Audit Committee or Company may share identity of the complainant and the documents and evidence, to the extent it is required for the purpose of investigation or with the Statutory Auditors or any Statutory Authorities, as required under the applicable law.

2. False Allegation & Legitimate Employment Action:

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedure.

3. Legitimate Employment Action:

This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee whose conduct or performance warrants that action.

H) PROCEDURE:

- ❖ Employees who observe any unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Audit Committee as soon as possible, after becoming aware of the same in the prescribed format (**Annexure A**).
- ❖ If the employee is unwilling or unable to put an oral disclosure in writing, he may approach the Compliance Officer directly or through his superior or any other employee. The Compliance Officer shall prepare a written summary of the employee's disclosure and provide a copy to the employee.

- ❖ Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received, in this regard. The Audit Committee, if the circumstances suggest, may appoint senior officer or a committee of managerial personnel to investigate into matter.
- ❖ Audit Committee shall have right to outline detailed procedure for an investigation.
- ❖ Where an Audit Committee has designated a senior officer or committee of managerial personnel for investigation, they shall mandatorily adhere to procedure outlined by Audit Committee for investigation.
- ❖ The Audit Committee or officer or Committee of managerial personnel, as the case may be, shall have right to call for any information/ document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.
- ❖ A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.
- ❖ After considering the report, the Audit Committee shall determine the cause of action and may order for remedies which may inter-alia include:
 - Order for injunction to restrain continuous violation of this policy.
 - Reinstatement of the employee to the same position or to an equivalent position.
 - Order for compensation for lost wages, remuneration or any other benefits, etc.
 - Sanction against the employee, who did the violation, knowingly.

I) NOTIFICATION:

All employees of the Company including the new joining employees shall be informed about the policy by the HR department and statement in this regard should periodically submit to the Compliance Officer.

J) AMENDMENT:

The policy will be subject to review and amendment, as and when necessary, to ensure the same remain relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.

ANNEXURE A

WHISTLEBLOWER COMPLAINT FORM

Name _____ Department/Function _____

Department _____ Tel /cell no. _____

Supervisor _____ E-mail Id _____

Type of Violation: ☐☐ Legal ☐☐ Accounting/Auditing ☐☐ Retaliation

Date Complainant became aware of potential violation: _____

Violation is: ☐☐ Ongoing ☐☐ Completed ☐☐ Unclear whether ongoing or completed

Department suspected of violation:

Individuals suspected of violation:

Describe all of the relevant facts of the violation:

How did Complainant become aware of the violation:

Steps taken by Complainant prior to contact:

Who, if anyone, may be harmed or affected by the violation?:

If the violation is legal, estimate the amount of loss to the Company as a result of the violation

Actual

Potential

If the violation relates to accounting/auditing matters, estimate the amount of the misreporting and indicate the affected category (or categories) of misreporting:

Amount: Rs. _____ (Rupees _____
_____ Only)

Category: ☐☐Assets ☐☐Liabilities ☐☐Expenses ☐☐Revenues ☐☐Valuation ☐☐Equity

Provide any suggestions for remedying the violation:

Do you wish to be contacted by the investigating officers regarding the status of the investigation?

☐☐Yes ☐☐No